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STATE OF CALIFORNIA  
STATE WATER RESOURCES CONTROL BOARD

In the Matter of Permit 16040  
Issued on Application 22061,  
PARADISE IRRIGATION DISTRICT,  
Permittee.

Order: WR 75-14  
Source: Little Butte Creek  
County: Butte

ORDER GRANTING EXTENSION OF TIME TO SUBMIT  
PROOF OF FINANCIAL ABILITY TO PROCEED WITH  
CONSTRUCTION OF PROJECT

BY BOARD MEMBER DODSON:

Time to commence construction work under Permit 16040 expired June 1, 1971. On April 24, 1972, the Paradise Irrigation District filed a petition requesting an extension of time to commence construction work under Permit 16040. A hearing on the petition, along with other petitions by the permittee was held before the State Water Resources Control Board (Board) on September 25, 1972 and on July 23, 1973. On September 6, 1973, the Board adopted its order WR 73-42 which required the permittee to submit proof of financial ability to proceed with construction of its project on or before July 1, 1974. On November 18, 1974, the permittee filed a petition for an extension of time until June 1, 1978 to submit proof of financial ability to proceed with construction under Permit 16040.

A hearing having been held before the State Water Resources Control Board on June 3, 1975 in the Resources Building, 1416 Ninth Street, Sacramento, California, for the purpose of

determining whether further extension of time should be granted, or whether Permit 16040 should be revoked in accordance with Section 790, Title 23 of the California Administrative Code, which provides that the Board shall revoke a permit after hearing if the permittee has failed to observe any of the terms and conditions of the permit; due notice of the time, place, and nature of said hearing having been given by certified mail to said permittee; said permittee having appeared at said hearing; evidence having been presented and received at said hearing and having been duly considered, the Board finds as follows:

1. The permittee filed a request for preliminary determination of eligibility for financial assistance under the Davis-Grunsky Act. On November 14, 1973, the permittee was declared eligible for a loan (RT 6).

2. Shortly after issuance of Board Order WR 73-42 referred to above, the Division of Safety of Dams, Department of Water Resources concluded that permittee's existing Magalia Dam required a complete engineering study and permittee immediately undertook such study (RT 7). The permittee has spent over \$125,000 on engineering studies and a grouting program for the Magalia Dam (RT 8). Permittee has entered into a joint venture with Butte County for a roadway embankment which will make the Magalia Dam more stable and satisfy the Division of Dam Safety. On June 14, 1975, the Division of Dam Safety approved Magalia Dam with a roadway embankment (RT 23). The permittee could not proceed with its project until the stability of the Magalia Dam was determined as its available funds would have to be directed to replacing or substantially modifying the dam if it was declared unsafe.

3. The district has restudied its project and has decided to raise its existing Paradise Dam rather than construct a new dam downstream from Magalia Dam. The project's cost will fall within the \$4 million limit of a loan under the Davis-Grunsky Act (RT 9). The permittee has filed petitions to change distribution of storage under Permit 271 (Application 476) and to change the point of diversion under Permit 16040 since it now intends to enlarge Paradise reservoir rather than to construct "New Magalia" reservoir as covered by the permit. The Division of Water Rights is issuing notice of the requested change. Since the project proposed will have less storage than now covered by the permit, any order changing the point of diversion should reduce the amount of storage to that equal, together with Permit 271, to the total gross capacity of the two reservoirs, unless the permittee can show the Board through an operation study that the additional storage is necessary.

4. The permittee has completed a preliminary feasibility report and a draft of an Environmental Impact Report (RT 26). The draft Environmental Impact Report has been filed with the State Clearinghouse.

5. The California Water Commission is expected to make a decision on the permittee's application for a Davis-Grunsky loan sometime in August or September of this year. If its decision is favorable, a contract will be negotiated with the Department of Water Resources sometime before October of this year. Voter approval of the loan and project will be on the ballot in November of this year (RT 26). The permittee expects to call for bids for construction of the project by the end of March, 1976, and commence construction the following May (RT 27).

It is concluded from the foregoing findings that an extension of time to June 30, 1976 for the permittee to submit proof of financial ability to proceed with the construction of its project is justified. If such proof is not submitted within that time Permit 16040 should be revoked without further proceedings.

NOW, THEREFORE IT IS ORDERED that the permittee's time for submitting proof of financial ability to proceed with the construction of its project is extended to June 30, 1976 and that such proof will include approval of project financing by the permittee's electorate.

IT IS FURTHER ORDERED that if satisfactory evidence of the permittee's ability to finance its project is not received by June 30, 1976, Permit 16040 will be revoked without further hearing and the permittee in accepting this extension agrees to this condition.

Dated: August 21, 1975

We Concur:

ROY E. DODSON  

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Roy E. Dodson, Member

W. W. ADAMS  

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W. W. Adams, Chairman

W. DON MAUGHAN  

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W. Don Maughan, Vice Chairman

JEAN AUER  

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Jean Auer, Member